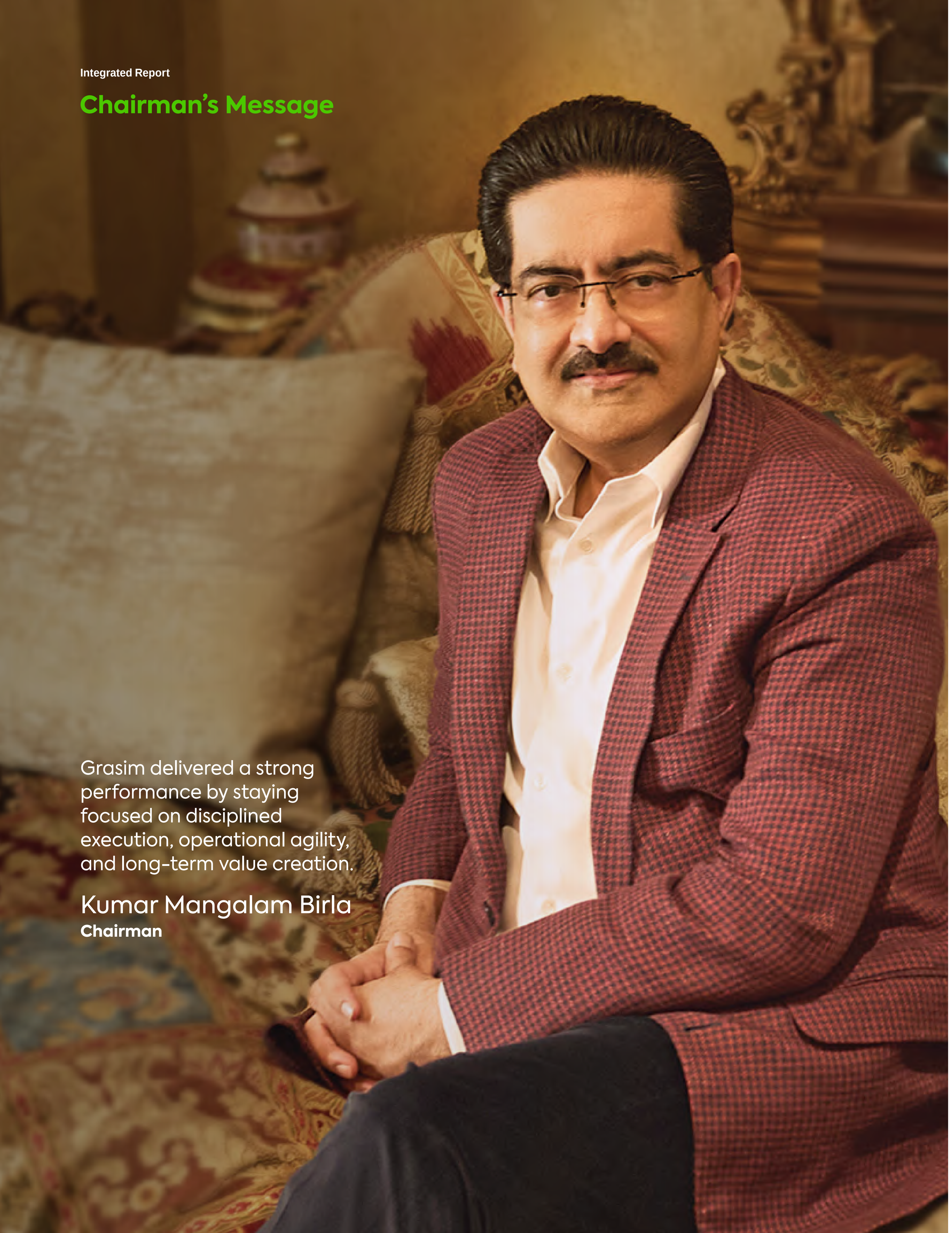

Grasim delivered a strong performance by staying focused on disciplined execution, operational agility, and long-term value creation.

Kumar Mangalam Birla
Chairman

Trust is an Intangible Asset for Tangible Gains

Dear Shareholders,

In a global landscape defined by volatility, geopolitical tension, and accelerating technological change, FY 2025-26 has been a milestone year for the Group. Our large manufacturing businesses have consolidated their leadership positions, our newer ventures are scaling with conviction, and our legacy consumer businesses are being reshaped for a new era of growth. Across this diverse portfolio, one force continues to anchor our progress - Trust.

Trust is often viewed as an intangible asset. In reality, it is one of the most consequential forms of capital an institution can possess. In periods of uncertainty, markets can turn volatile and competitive advantages can erode. Trust, however, compounds. It enables organisations to make long-term investments when others hesitate, to navigate disruption with credibility, and to emerge stronger from periods of change.

For a Group such as ours, trust extends far beyond the relationship between a company and its customers. It is reflected in the confidence of shareholders who support long-term value creation, the commitment of employees who choose to build their careers with us, the faith of partners and suppliers who invest alongside us, and the confidence of communities and governments that see us as a responsible participant in economic progress. Each of these constituencies grants an institution something invaluable: the licence to grow.

This is particularly relevant at a time when businesses are being asked to do more than deliver financial performance. They are expected to navigate technological disruption, manage increasingly complex supply chains, create meaningful employment, steward natural resources responsibly and contribute to social progress. Meeting these expectations requires more than scale or strategy. It requires credibility built over years, and in many cases, decades.

The strength of our portfolio reflects the cumulative effect of that credibility. It has allowed us to invest through cycles, pursue transformation with confidence and attract talent, capital, and partnerships that strengthen our competitive position.

Global Economy in 2025

The global economy maintained its trajectory through 2025 despite elevated tariffs, policy uncertainty, and geopolitical tensions. The impact of tariff measures was less severe than projections had suggested, and growth across major economies remained broadly stable.

World trade expanded faster than anticipated in 2025, as demand for AI-driven capex offset the effects of trade policy uncertainty and higher tariffs. The volume of world merchandise trade grew by 4.6%, compared to a forecast of 2.4%. For the second consecutive year, Asian economies were the largest contributors to total world trade volume growth, accounting for 3.2 percentage points of the 4.6% total, or 71% of the overall increase. Trade in 2025 was also supported by investment in AI infrastructure, demand in emerging markets, fiscal and monetary expansion in advanced economies, and frontloading of imports in North America ahead of anticipated 'reciprocal' tariffs from the United States. The outbreak of conflict in the Middle East on 28th February 2026, along with the partial closure of the Strait of Hormuz and damage to energy production facilities, introduced a supply shock to the global economy.

India in FY 2025-26: Domestic Demand Carries the Economy Forward

Against a challenging global backdrop marked by US tariff escalations and mounting trade policy uncertainty, the Indian economy demonstrated remarkable resilience during FY 2025-26. Real GDP growth accelerated to 7.8%, up from 7.1% in FY 2024-25, cementing India's position as the fastest-growing major economy globally.

This performance was underpinned by robust domestic demand, low inflation and a broad pro-growth reform agenda. On the demand side, private consumption grew 7.7% YoY, supported by income tax reductions and rationalisation of GST rates.

Economic activity was broad-based. On the supply side, manufacturing gained momentum, driven by the automobile and fast-moving consumer goods sectors. The services sector benefitted from demand in retail trade, hospitality, transportation, and real estate. India also made progress in containing inflation, with the headline rate averaging 2.1% in FY 2025-26, down from 4.7% the previous year.

India's economic prospects for FY 2026-27 carry both opportunities and risks. Growth is projected at 6.6% by the RBI, marginally revised down due to the effects of the Middle East conflict. India, nonetheless, remains among the fastest-growing major economies globally.

Private consumption is expected to remain the primary driver of growth, though elevated global oil prices are likely to feed into domestic inflationary pressures. The GST rate reductions introduced in September 2025 are expected to partially offset this impact. Investment is projected to continue, supported by government capital expenditure, improved trade access through recently concluded free trade agreements, and a stable financial sector.

India's macroeconomic position, provides some buffer against external shocks. The pace of the renewable energy transition, the credibility of fiscal policy, and the implementation of newly concluded trade agreements will be factors that determine the trajectory of growth in the coming years.

Aditya Birla Group: In Our People We Trust

At the Aditya Birla Group, trust is built through experience. It is earned in thousands of everyday interactions, when people are given opportunities to learn, when careers progress on merit, when leaders are accessible, when commitments are honoured, and when employees know they can depend on the organisation through moments that matter.

Over time, these experiences shape how people feel about the Group. They influence whether talented individuals choose to join us, whether they see a future with us, and whether they are willing to invest their energy and ambition here over the long term.

The progress we have made across talent, leadership, culture and employee experience during the year reflects this enduring focus.

Trust in Competence: Helping People Succeed from Day One

The employee experience begins long before an individual settles into a role. The quality of hiring, onboarding and early support often shapes how quickly people become effective and how confidently they navigate a new environment.

During the year, our Group onboarded more than 11,700 employees, including over 80 senior leaders, across businesses and functions. Structured hiring and onboarding processes, clear communication and timely feedback helped create a stronger experience for candidates and new joiners alike.

We also continued to simplify the day-to-day employee experience through technology. Mobile-first onboarding and AI-enabled platforms such as AVA, which recorded more than 7,00,000 interactions during the year, improved accessibility, and delivered greater consistency at scale.

Capability building remains central to long-term success. Employees are more likely to perform with confidence when they have access to the skills, knowledge and support required to succeed. Through Gyanodaya, our Global Centre for Leadership Training, and other business-led initiatives, we delivered more than 280 programmes, reaching over 8,500 employees across technical, functional, behavioural and leadership domains.

Approximately 98% of employees accessed digital or blended learning through the Gyanodaya Virtual Campus (GVC). In addition, an intense three-month Group-wide learning initiative, the 'Learning Fest', engaged more than 39,000 employees, a fourfold increase over the previous year.

Managers play a critical role in shaping this experience. Through coaching, feedback and day-to-day guidance, they influence how employees learn, grow and navigate their careers. We therefore continue to invest in strengthening leadership capability across the Group.

Trust in Growth: Building Careers across the Group

The strength of an organisation is often reflected in the opportunities it creates for its people. During the year, more than 6,400 employees moved across roles, functions, businesses or geographies. This is, by all accounts, a very significant number. These movements reflect the scale and diversity of opportunities available across the Group and reinforce our promise of 'A World of Opportunities'.

Internal mobility also provides an important measure of organisational confidence. Out of over 6,400 movements during the year, more than 470 were across businesses. At senior leadership levels, cross-business mobility accounted for 15% of movements, strengthening leadership depth across the portfolio. Nearly 69% of senior management roles were filled through internal hiring, reflecting the quality and readiness of leadership talent developed within the Group.

These outcomes are supported by a disciplined approach to identifying and developing talent. Approximately 27% of employees form part of the Group Talent Pool. We have also built a strong pipeline of future leaders.

Our ability to attract high-quality talent continues to reflect the strength of our employer brand. Diversity hiring stood at 19% during the year, while retail businesses achieved 40% women hiring.

Women's representation within the leadership cadre increased by 8%. Nearly 74% of new hires were below the age of 35, with Gen Z accounting for 39% of all new joiners.

The Group also received recognition across leading platforms, including LinkedIn, the Top Employers Institute, Forbes and the Financial Times.

Trust in Care: Supporting People and Families

The employee experience extends beyond the workplace. Health, well-being and support systems influence how people feel, perform and engage over the long term.

Through our health, well-being and insurance initiatives, we supported employees and their families in meaningful ways. During the year, more than 8,600 counselling sessions were availed by employees, while workmen and staff accessed a further over 3,100 sessions, reflecting growing awareness and acceptance of mental well-being support. In parallel, over 3,400 eligible employees underwent annual health check-ups, reinforcing our focus on preventive care.

These efforts are translating into measurable outcomes. Among Mumbai-based employees, the proportion of individuals in the high-risk category, in terms of health, declined from 21% to 10%, while the low-risk category increased from 48% to 56%.

Employee sentiment continues to reflect this strong foundation. In our annual employee survey, Vibes 2026, 96% of employees expressed pride in being part of the Group, 90% said they would recommend us as a Great Place to Work, and 93% reported that their business inspires them to do their best work every day.

ADITYA BIRLA GROUP

96%

Employees Expressed Pride in being Part of the Group

Vibes 2026, ABG's Annual Employee Survey

Trust in Purpose: Extending Impact Beyond the Workplace

Employees increasingly seek a sense of contribution that extends beyond their immediate roles. The Group's social initiatives provide opportunities to participate in that impact directly.

The AWOO Foundation reached its highest level of participation to date. During the year, 1,449 scholarships were awarded, the highest ever, supported by contributions from more than 56,100 employees, representing a 67% increase over the previous year.

Perhaps the most telling figure lies beneath the headline numbers. Contributions from non-management employees increased by 293%, reflecting participation from colleagues across levels who chose to support scholars they may never meet. Such acts speak to a shared belief in the purpose and impact of these initiatives.

Ultimately, the strongest measure of trust is behaviour. It is reflected in the choices people make, to join the Group, to pursue opportunities across businesses and geographies, to take on larger responsibilities, and to build long-term careers within the organisation. It can be seen in the strength of our leadership pipeline, the mobility of our talent, the quality of our employee experience and the pride employees express in being associated with the Group.

These outcomes are built gradually through consistent actions and shared experiences. They create continuity through periods of growth and change and provide a strong foundation for the future.

Performance Built on Trust

FY 2025-26 was a year that reaffirmed the deep trust stakeholders place in the Company and the strength of our purpose-led growth journey. In a complex operating environment marked by geopolitical uncertainties, pricing pressures, and uneven global demand, Grasim delivered a strong performance by staying focused on disciplined execution, operational agility, and long-term value creation.

I am pleased to share that your Company achieved its highest-ever consolidated revenue of ₹ 1,75,431 crore, up 18% YoY, while consolidated EBITDA rose 29% to ₹ 25,872 crore.

Our core businesses in Cellulosic Fibres, Chemicals, Building Materials, and Financial Services continued to demonstrate operational excellence, delivering strong growth, improving efficiencies, and reinforcing their market leadership positions. Together, they provide the foundation of stability and cash generation that enables us to invest confidently in the next generation of growth engines.

This performance was also reflected in the capital markets, with Grasim's share price reaching an all-time high during the year and significantly outperforming the benchmark indices across key time horizons. While market movements are shaped by many factors, this recognition reinforces a deeper truth: enduring value is created when stakeholders trust the Company's strategy, execution discipline and long-term direction.

From Ambition to Scale: The Rise of Birla Opus and Birla Pivot

FY 2025-26 was a defining year for Birla Opus. What began as an ambitious foray into one of India's most competitive consumer categories has rapidly become one of the most remarkable market entries in recent corporate history. In a short span after its launch, Birla Opus has firmly established itself as the No. 3 player in the Indian organised decorative paints industry and is progressing with confidence towards the No. 2 position.

This success has been anchored in the strength of our scale, the rigour of our execution, and the growing acceptance of our brand among customers and trade partners. We have created one of the industry's widest manufacturing footprints, built a comprehensive product portfolio, expanded a robust distribution network supported by strategically located depots, and invested in differentiated advertising that has strengthened consumer recall and brand affinity.

Together, these efforts have created a powerful growth ecosystem, driving secondary sales, deepening market presence, and strengthening consumer preference for Birla Opus.

Perhaps most encouraging is that we are not merely gaining distribution; we are earning trust. Consumer awareness has crossed 90%, painter acceptance continues to rise, and Birla Opus has emerged as one of the most recalled paint brands in the country. These achievements demonstrate that we are building a durable consumer franchise.

Birla Pivot, meanwhile, represents our conviction that the future of commerce will be increasingly digital, data-driven, and ecosystem-led. What differentiates Birla Pivot is the breadth and depth of its ecosystem. Today, the platform offers more than 50,000 SKUs sourced from over 1,000 leading Indian and global brands, creating a one-stop procurement destination for businesses across the construction and infrastructure value chain.

Beyond product sourcing, Birla Pivot has strengthened partnerships with logistics providers, lenders, and procurement teams, enabling customers to access financing, supply chain solutions, and seamless procurement workflows through a single platform. During FY 2025-26, Birla Pivot scaled at an extraordinary pace and emerged as one of India's fastest-growing B2B commerce platforms. The business is within striking distance of achieving its revenue guidance of ₹ 8,500 crore, a full year ahead of plan. Its growth momentum is supported by strong customer acquisition, growing repeat business, and rapid expansion into new product categories.

Together, Birla Opus and Birla Pivot exemplify Grasim's strategy of building the next generation of growth engines. One is creating a powerful consumer brand in a large and growing market the other is building a digital platform with the potential to reshape an entire industry.

Both the businesses have moved beyond proof of concept and are now demonstrating the scale, customer acceptance, and competitive strengths required to become meaningful contributors to Grasim's future growth. The foundations have been laid; the next phase will focus on accelerating scale, enhancing profitability, and building enduring leadership positions in their respective sectors.

Leading Today, Investing for Tomorrow

Grasim remains among the few private sector enterprises to consistently invest with conviction in India's future. Over the past five years, the Company has invested nearly ₹ 74,000 crore in capital expenditure across its businesses, reflecting not only our confidence in long-term demand but also our deep trust in India's growth potential. These investments have strengthened capacity, enhanced capabilities, expanded our presence in high-growth sectors, and created platforms to serve the needs of a more ambitious, self-reliant and rapidly evolving India.

UltraTech Cement continues to embody our conviction that enduring value creation stems from disciplined capital allocation, operational excellence, and the courage to invest ahead of the growth curve. As India embarks on one of the world's most significant infrastructure and urbanisation journeys, UltraTech remains uniquely positioned to support this transformation while creating long-term value for all stakeholders.

In April 2026, UltraTech crossed the historic milestone of 200 MTPA total grey cement capacity, becoming the largest cement company in the world, outside of China. This achievement reflects decades of consistent execution, strategic foresight, and an unwavering commitment to leadership. From a capacity of approximately 52 MTPA in 2011 to more than 200 MTPA today, UltraTech has quadrupled its scale in just over a decade. This remarkable journey has been driven by a combination of organic expansion, strategic acquisitions, and relentless operational focus.

We remain confident that India's infrastructure, housing and manufacturing growth will create significant opportunities for the sector. With unmatched scale, a trusted brand, and industry-leading capabilities, UltraTech is uniquely positioned to capture these opportunities and create sustainable long-term value.

Our Cellulosic Fibres business remains one of the strongest pillars of Grasim's growth journey. Despite a volatile global environment marked by demand fluctuations, input cost pressures, and pricing challenges, the business continued to strengthen its leadership through innovation, sustainability, operational excellence, and market development.

During FY 2025-26, global demand conditions improved gradually, particularly in China, the largest market for cellulosic fibres. Supported by this recovery, our focus on specialty fibres, product innovation and export growth enabled us to outperform industry trends. The rising share of specialty fibres in our portfolio reflects our strategy of moving up the value chain and meeting evolving customer needs.

> **We are entering the next phase of growth with confidence. As consumers, brands, and regulators increasingly seek environmentally responsible alternatives, Grasim is investing ahead of the curve.**

A key milestone in this journey is our commitment to Lyocell, one of the world's most sustainable fibres. Building on the strong demand outlook, we have approved additional investment of more than ₹ 3,000 crore for 110K TPA expansion of Lyocell at Harihar. This investment is in addition to the existing expansion of 55K TPA, reinforcing our ambition to shape the future of sustainable textiles.

Our Chemicals business delivered another year of resilient performance, demonstrating the strength of its integrated business model and its strategic importance within Grasim's portfolio. Throughout FY 2025-26 the business benefited from higher volumes, improved caustic soda realisations, stronger performance in chlorine derivatives, and a continued focus on operational excellence.

This enabled the Chemicals segment to deliver robust growth in both revenue and profitability despite ongoing volatility in global chemical markets. What distinguishes our Chemicals business is not only its scale but also its ability to create value continuously through downstream integration and product diversification. A key achievement during the year was the inauguration of our CPVC Resin facility at Vilayat. This project represents a strategic step forward in India's journey towards import substitution and self-reliance in critical industrial materials.

The opportunity ahead is substantial. India's manufacturing resurgence, infrastructure investments, water management requirements, and industrial growth are expected to drive sustained demand across the chemicals value chain. Grasim is uniquely positioned to benefit from these trends through its scale, integrated operations, technology capabilities, and disciplined capital allocation.

Our Financial Services business, Aditya Birla Capital, continued to strengthen its position as a key pillar of Grasim's diversified growth portfolio. During the year, the business delivered strong momentum across lending, asset management, and insurance, supported by a customer-centric approach, disciplined risk management, and deeper digital engagement. Its combined loan book across the NBFC and housing finance businesses crossed ₹ 2,00,000 crore, while overall assets under management reached a record high of nearly ₹ 6,00,000 crore. This performance reflects the growing scale, resilience, and trust placed in the franchise, reinforcing its ability to create long-term value in India's expanding financial services landscape.

Our Renewables arm, Aditya Birla Renewables, is steadily emerging as a meaningful growth platform in India's clean energy transition. Built on a strong foundation in solar, wind, hybrid, and emerging storage-led solutions, the business has developed a pan-India renewable energy portfolio across multiple states and serves both government utilities and commercial and industrial (C&I) customers. Its growing presence is also enabling Group companies and external customers to access reliable, competitive, and cleaner power. As India accelerates its transition towards renewable energy, it is well positioned to scale with purpose by supporting decarbonisation, strengthening energy resilience, and contributing to the country's low-carbon growth journey.

Scaling Responsibly through Sustainability*

Sustainability is firmly embedded in Grasim's growth strategy, strengthening a resilient and future-ready enterprise. Your Company's approach extends beyond conventional metrics, integrating sustainability into business strategy, capital allocation, and operational excellence.

The expansion of the Lyocell project at Harihar underscores our commitment to next-generation sustainable solutions, while the continued scale-up of renewable energy and advanced water circularity initiatives across our businesses demonstrates disciplined resource management. At the same time, our efforts in biodiversity conservation through responsible land use, water stewardship, and environmental conservation reinforce our commitment to preserving ecological balance alongside industrial growth. Collectively, these initiatives have reduced emissions intensity while enhancing operational efficiency and resilience.

Grasim continues to advance sustainable consumption across its businesses, with a sharp focus on minimising environmental impact at scale. Our Net Zero 2050 commitment is anchored in a robust sustainability governance framework, with the Sustainability Committee and cross-functional ESG teams playing a pivotal role in embedding sustainability into enterprise-wide decision-making.

> **We believe that sustainability and competitiveness reinforce one another. By embedding sustainability into the way we invest, innovate, and operate, we are creating enduring value for all our stakeholders. As we continue to grow, our commitment remains clear: to scale responsibly, strengthen stakeholder trust, and contribute meaningfully to a more sustainable future.**

***GRI 2-22:** Statement on sustainable development strategy

Conclusion

In a world characterised by constant change, trust becomes an even more valuable source of resilience and differentiation. In my view, trust is the currency that matters.

Over the years, one of the most encouraging aspects of the Aditya Birla Group's journey has been the way trust in the Group has translated across businesses, strengthening consumer affinity, deepening stakeholder relationships and reinforcing the resilience of our portfolio.

Trust, after all, provides a strong foundation for growth. It gives us the confidence to pursue transformation within our existing businesses and the conviction to build new growth platforms for the future. More importantly, it allows us to do so with the support of those who matter most to our success, our customers, employees, partners, investors and communities.

Yours sincerely,

Kumar Mangalam Birla
Chairman